



GAIL FARBER, Director

COUNTY OF LOS ANGELES

DEPARTMENT OF PUBLIC WORKS

"To Enrich Lives Through Effective and Caring Service"

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September 03, 2013

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

ADOPTED

BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

28 September 3, 2013

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

BUS STOP SHELTER PROGRAM LICENSE AGREEMENT 63885 – AMENDMENT 8 (ALL SUPERVISORIAL DISTRICTS) (3 VOTES)

SUBJECT

This action is to amend Agreement 63885 with Clear Channel Outdoor, Inc., for the Los Angeles County Bus Stop Shelter Program to extend the duration of the agreement on a month-to-month basis for up to 24 months to complete the solicitation for a new agreement.

IT IS RECOMMENDED THAT THE BOARD:

1. Find that the Los Angeles County Bus Stop Shelter Program is statutorily exempt from the California Environmental Quality Act.
2. Approve continuation of the Los Angeles County Bus Stop Shelter Program utilizing Clear Channel Outdoor, Inc., to operate and maintain the advertising bus stop shelters in various locations of the unincorporated County areas.
3. Approve amending the agreement with Clear Channel Outdoor, Inc., located in Los Angeles, California, for the Los Angeles County Bus Stop Shelter Program to enable this agreement to continue on a month-to-month basis for up to 24 months starting September 11, 2013.

4. Authorize the Director of Public Works or her designee to execute an amendment to renew the contract on a month-to-month basis for each month if in the opinion of the Director of Public Works or her designee the contractor has successfully performed the work during the previous month and the services are still required, to suspend work if in the opinion of the Director of Public Works or her designee it is in the best interest of the County of Los Angeles to do so, and to approve and execute amendments to incorporate necessary changes within the agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

The purpose of the recommended action is to amend the agreement with Clear Channel Outdoor, Inc., for the Program in a form approved by County Counsel to extend the duration of the agreement on a month-to-month basis for up to 24 months under the current terms and conditions. This amendment will enable Clear Channel Outdoor, Inc., to continue operating and maintaining the existing advertising bus stop shelters while the Department of Public Works completes solicitation and evaluation for the Program and awards a successor licensee to replace up to 325 advertising shelters.

Implementation of Strategic Plan Goals

The Countywide Strategic Plan directs the provisions of Operational Effectiveness (Goal 1) and Integrated Services Delivery (Goal 3) by providing bus stop shelters and a comfortable waiting area for bus patrons.

FISCAL IMPACT/FINANCING

There will be no impact on the County General Fund.

Clear Channel Outdoor, Inc., performs maintenance and operation of advertising bus stop shelters at various locations throughout the unincorporated County areas at no cost to the County. The County annually receives 15 percent of the gross advertising revenue less agency sales commission with a guaranteed annual minimum payment of \$100,000. Since the bus stop shelters are located in road right of way, the revenue is deposited in the Road Fund. A portion of the revenue generated from this agreement will be used to administer the Program and any remaining funds will be used to operate and maintain existing road infrastructure.

In 2012, Clear Channel Outdoor, Inc., was required to pay the County a possessory interest tax of 1.27 percent of the assessed value of the bus stop shelters. The possessory interest tax was \$4,151. Clear Channel Outdoor, Inc., will continue to accrue applicable possessory interest taxes for the monthly extension. These tax receipts will be deposited in the County General Fund.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The amendment will continue the contract's current terms, specifications, and conditions for up to an additional 24 months. The amendment which will be substantially similar as the enclosed amendment will be approved, as to form, by County Counsel prior to execution.

On March 15, 1983, the Board approved a Program to install bus stop shelters at various locations throughout the unincorporated County areas. On June 19, 1990, the Board authorized the Director to negotiate and arrange for a license agreement with Metro Display Advertising, Inc., d.b.a. Bustop Shelters of California, Inc., to install and maintain approximately 280 bus stop shelters in

unincorporated County areas. The Board approved the 10-year Agreement 63885 on September 10, 1990. On October 19, 1999, the Board approved Amendment 1 to this agreement. Amendment 1 authorized the installation of up to an additional 500 shelters; modified the revenue to be paid by Metro Display Advertising, Inc., to be the greater of \$100,000 each year or 15 percent of the gross advertising revenues less agency commission; and authorized the Director to implement a 5-year extension of the agreement effective September 11, 2000. On September 6, 2005; August 29, 2006; and August 7, 2007, the Board approved Amendments 2, 3, and 4, respectively, to this agreement. Amendments 2, 3, and 4 each provided for a 12-month continuation of the agreement on a month-to-month basis while Public Works proceeded with the solicitation process for a replacement agreement to provide for the Program.

On May 1, 2008, Public Works issued a Request for Proposals (RFP) to maintain and replace all existing advertising bus stop shelters. The one proposal received was disqualified due to nonresponsiveness. On August 12, 2008, Agenda Item 31, the Board approved Amendment 5 to the agreement with Clear Channel Outdoor, Inc., to extend the contract terms on a month-to-month basis for 30 months from September 11, 2008, to March 10, 2011. The 30-month period was to provide the necessary time for Public Works to resolicit the Program, select a successor licensee, and provide a transition period for Clear Channel Outdoor, Inc., to remove its advertising bus stop shelters with minimal impact on the public prior to the installation of shelters by the new licensee.

On August 12, 2008, Public Works issued another RFP to solicit proposals to maintain and replace the existing advertising bus stop shelters. Public Works received one proposal. Public Works staff evaluated the proposal and determined that it was responsive and that the proposer was responsible. However, on November 18, 2008, the proposer, Clear Channel Outdoor, Inc., indicated that they were unable to carry out the terms of their proposal but would be able to continue performing the services under the current contract.

The Program requires a significant capital investment to be made by the licensee, which is paid for by advertising revenue. The economy negatively impacted the amount of advertising revenue generated. The RFP permitted the rejection of all proposals. On March 3, 2009, the Board approved the rejection of all proposals received.

On June 29, 2010, the Board approved Amendment 6 to the agreement that provided for a 24-month continuation of the agreement through March 10, 2013, while Public Works evaluated the program and waited for more favorable economic conditions to prevail in the advertising business to support solicitation for a successor licensee of this Program.

On November 28, 2012, Public Works issued a new RFP to solicit proposals to maintain and replace the existing advertising bus stop shelters. The original deadline to submit the proposals was set for January 3, 2013. Clear Channel Outdoor, Inc., one of the two potential bidders requested a 5-week extension to the submittal deadline. Public Works extended the current contract on a month-to-month basis for up to 6 months to September 10, 2013, to allow enough time to evaluate the proposal and award a new contract before the expiration of the current licensee agreement. Despite the submittal deadline extension, neither Clear Channel Outdoor, Inc., nor other potential bidders responded to the RFP. Public Works seeks to extend the current contract on a month-to-month basis for up to 24 months to allow Public Works enough time to evaluate the different alternatives in order to advertise and award a new contract.

ENVIRONMENTAL DOCUMENTATION

This Program is statutorily exempt from the California Environmental Quality Act pursuant to Section 15302(b) of the California Environmental Quality Act Guidelines and Class 2(a) of the Environmental Reporting Procedures and Guidelines adopted by the Board on November 17, 1987. This exemption provides for the replacement of structures with a new structure of substantially the same size and purpose.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

This amendment to the agreement will enable Clear Channel Outdoor, Inc., to continue maintaining and operating all advertising bus stop shelters installed in accordance with this agreement.

CONCLUSION

Please return one adopted copy of this letter to the Department of Public Works, Programs Development Division.

Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The signature is written in a cursive, flowing style.

GAIL FARBER

Director

GF:JTW:nc

Enclosures

c: Assessor
Chief Executive Office (Rita Robinson)
County Counsel
Executive Office
Treasurer and Tax Collector

AMENDMENT 8 TO LICENSE AGREEMENT 63885

THIS AMENDMENT, made and entered into this ___ day of _____, 2013, by and between the COUNTY OF LOS ANGELES, a subdivision of the State of California, a body corporate and politic (hereinafter referred to as COUNTY), and CLEAR CHANNEL OUTDOOR, INC., a Delaware corporation (hereinafter referred to as LICENSEE).

WITNESSETH

WHEREAS, on September 11, 1990, COUNTY entered into AGREEMENT 63885 with Metro Display Advertising, Inc., d.b.a. Bustop Shelters of California, Inc. (hereinafter referred to as AGREEMENT), to provide for the placement and maintenance of transit shelters at selected locations on portions of COUNTY streets and highways; and

WHEREAS, on January 23, 1998, Eller Media, Inc., a subsidiary of Clear Channel Communications, Inc., acquired Metro Display Advertising, Inc.; and

WHEREAS, Amendment 1 to this AGREEMENT was approved on October 19, 1999, to modify the revenue portion of the AGREEMENT; and

WHEREAS, in accordance with the AGREEMENT'S Section 2, Duration, it was mutually agreed upon in writing on October 25, 1999, to extend the term of the AGREEMENT for a period of 5 years, commencing on September 12, 2000, through September 11, 2005; and

WHEREAS, on July 2, 2001, Eller Media, Inc., changed their operating name to Clear Channel Outdoor, Inc.; and

WHEREAS, Amendment 2 to this AGREEMENT was approved on September 6, 2005, to among other terms and conditions to extend the AGREEMENT on a month-to-month basis, up to 12 months through September 10, 2006; and

WHEREAS, Amendment 3 to this AGREEMENT was approved on August 29, 2006, to extend the AGREEMENT on a month-to-month basis, up to 12 months through September 10, 2007; and

WHEREAS, Amendment 4 to this AGREEMENT was approved on August 7, 2007, to extend the AGREEMENT on a month-to-month basis, up to 12 months through September 10, 2008; and

WHEREAS, Amendment 5 to this AGREEMENT was approved on August 12, 2008, to among other terms and conditions to extend the AGREEMENT on a month-to-month basis, up to 30 months through March 10, 2011.

WHEREAS, Amendment 6 to this AGREEMENT was approved on June 29, 2010, to among other terms and conditions to extend the AGREEMENT on a month-to-month basis, up to 24 months through March 10, 2013.

WHEREAS, Amendment 7 to this AGREEMENT was approved on March 5, 2013, to among other terms and conditions to extend the AGREEMENT on a month-to-month basis, up to 6 months through September 10, 2013.

WHEREAS, COUNTY has a need for LICENSEE to continue providing operating maintenance and repair service for the Los Angeles County Bus Stop Shelter Program (hereinafter referred to as PROGRAM) pending solicitation of a successor licensee; and

WHEREAS, LICENSEE will continue to compensate COUNTY for rental of advertising space on all advertising bus stop shelters installed under this PROGRAM according to the terms of the AGREEMENT; and

WHEREAS, the parties desire to extend the AGREEMENT beyond September 10, 2013, for up to an additional twenty-four (24) months on a month-to-month basis to allow for continuation of the PROGRAM until the COUNTY solicits a successor licensee.

NOW, THEREFORE, in consideration of these facts and the mutual benefits to be derived by LICENSEE and COUNTY based on the promises herein contained, COUNTY and LICENSEE agree that AGREEMENT 63885 and its amendments shall be amended as follows:

FIRST: That the AGREEMENT term is extended on a month-to-month basis, up to a maximum of twenty-four (24) months beginning on September 11, 2013. Month-to-month extensions are automatically granted without further action by the COUNTY, unless the COUNTY provides written notice of nonrenewal at least 30 days before the last day of any month, in which case this contract shall expire as of midnight on the last day of the succeeding month.

SECOND: Except as modified in this Eighth AMENDMENT, all other terms, conditions, requirements, and specifications set forth in the AGREEMENT and in Amendments 1, 2, 3, 4, 5, 6, and 7 to the AGREEMENT as amended shall remain in effect for the entire AGREEMENT term.

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IN WITNESS WHEREOF, the parties hereto have caused this AMENDMENT to be executed by their respective officers, duly authorized, by LICENSEE on _____, 2013, and by the DIRECTOR OF PUBLIC WORKS on _____, 2013, pursuant to authority delegated by the COUNTY OF LOS ANGELES BOARD OF SUPERVISORS on September 3, 2013.

COUNTY OF LOS ANGELES

By _____
Director of Public Works

APPROVED AS TO FORM:

JOHN F. KRATTLI
County Counsel

By _____
Deputy

CLEAR CHANNEL OUTDOOR, INC.

By _____
Executive Vice President

Type or Print Name

By _____
Its Secretary

Type or Print Name

Filename: Enclosure-Bus Stop Shelter
Directory: C:\Users\yrobles\Documents
Template: C:\Users\yrobles\AppData\Roaming\Microsoft\Templates\Normal.
dotm
Title: WHEREAS, on September 10, 1990, COUNTY entered into
AGREEMENT No
Subject:
Author: Wendy Glatky
Keywords:
Comments:
Creation Date: 8/20/2013 1:05:00 PM
Change Number: 2
Last Saved On: 8/20/2013 1:05:00 PM
Last Saved By: Robles, Yesenia
Total Editing Time: 1 Minute
Last Printed On: 8/20/2013 1:09:00 PM
As of Last Complete Printing
Number of Pages: 3
Number of Words: 770 (approx.)
Number of Characters: 4,394 (approx.)